Bidders for the Indian Airlines

6. SHRI AMAR SINGH: Will the Minister of DISINVESTMENT be pleased to state:

(a) the names of bidders for the Indian Airlines at present;

(b) whether it is a fact that Government have decided to disqualify one of the selected bidders;

(c) if so, on what grounds;

(d) whether the credential of the bidders were examined earlier; and

(e) if so, what grounds it is being reconsidered at this point of time when the company had already spent large amount on this deal?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) The names of present bidders for Indian Airlines are 'Videocon International Limited' and 'Ashok Leyland Consortium'.

(b) and (c) The Government has recently decided to disqualify bidders on the following grounds:—

(i) In matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government/conviction by a Court of Law for an offence committed by the bidding party or by any sister concern of the bidding party.

(ii) Any conviction by a Court of Law or indictment/adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. Grave offence is defined to be a such a nature that it outrages the moral sense of the community.

(d) and (e) The Government has to be cautious about strategic partners who are finally chosen to take over management control in public sector undertakings. The strategic partner must demonstrate not only financial strength and management process but should also

demonstrate integrity. Therefore, before the price bids are called, it has been decided that bidders must satisfy the criteria, as replied at (b) and (c) above. Accordingly, the credentials of the bidders are being examined on these grounds.

News Item, "Strategic Sale should be Avoided, Says SCOPE Chairman"

7. SHRI JIBON ROY: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government's attention has been drawn to the newsitem captioned "Strategic sale should be avoided says SCOPE Chairman" published in the BUSINESS TIMES dated the 5th May, 2001 and

(b) if so, the reaction of the Government thereto?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) This is one view and there are many other, including contrary views, in this regard. Government keeps in view such observations at the time of decision regarding route for disinvestment to be followed in case of each Public Sector Undertaking.

Criteria for identifying PSUs for disinvestment

8. SHRI S. AGNIRAJ: Will the Minister of DISINVESTMENT be pleased to state:

(a) the criteria for identifying PSUs for disinvestment by Government; ,

(b) the top ten loss making PSUs as on today;

(c) the steps being taken to disinvest these loss making units;

(d) whether Government propose to apply VRS in these units; and

(e) if so, the details, thereof?

THE MINISTER- OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Disinvestment is